

Local Government in Rural Areas: Potential and Challenges in Terms of the New Paradigm of Development

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Summary: The Local Government in its responsibilities, priorities, possibilities, choices for making and implementation of policies is a central factor in rural development. The purpose of this article is studying of the place and role of local authorities in socio-economic processes taking place in Bulgarian villages in terms of actual membership in the European Union and prepare recommendations aimed at more fully using the capacity of local government and increased role for integrated and sustainable development of villages

Presented development is part of a wider study related challenges to development in terms of actual membership of Bulgaria in the European Union. It is based on an inquiry study using a questionnaire addressed to administrative structures in the municipalities and town halls included in the representative surveillance studies region.

The main issues which were established as results of the survey relate to failure in: interest and responsibility of the municipal administration to the development of villages, horizontal and vertical coordination between mayoralties and city hall, technical expertise and absorption

capacity of funding programs, partnerships to address economic and social problems of villages, etc.

Key words: Local Government, Local Administration, rural areas, development, European Union.

JEL: R19.

1. Introduction

The competent, systemic, and coordinated management of social and economic processes at the national, regional, and local level is a necessary condition for successful implementation of priorities and measures of the Operational programs and the Rural Development Programme, in order to absorb the maximum finances from the Structural funds, as well as to guarantee institutional stability.

The transition period of economic development, lasting already more than 15 years in our country, placed the emphasis on the national system as whole. Even when special attention was paid to regional and local problems, this was usually in relation to big city centres projects. Today, the result is that, in the conditions of real support for the development of rural regions and their small communities, we have insufficient, unclear, and often distorted idea

and understanding of the potential capacities for and barriers to local development strategies and systems; the largest part of these strategies and systems being developed and implemented through the power and authority of the local administration. In Bulgaria, 231 from a total of 264 municipalities correspond to the definition of rural municipalities, representing 81 % of the territory and 42 % of the population of the country [7].

Rural development in itself is a multi-level and multi-factor phenomenon with many participants. Administrative power with its responsibilities, priorities, opportunities of choice in developing and implementation of policies represents a central factor in this development. Economic growth, new jobs creation, management of the implementation of environmental protection technologies, faster access of farmers and their families to financial resources, attaining prosperity for all components of rural communities, are unthinkable without the active participation of local administration. Therefore, there is an acute need for analysis of the preconditions and barriers related to the implementation of sufficiently strong local management initiatives.

The new model of rural development, introduced into policy and practice during the last decade, makes necessary the adoption of a totally new paradigm of rural development. It should be based upon a modern and adequate theory, which should include all components of balanced and sustainable development. Schumacher [15, 1973] was categorical about the necessity of a new system of relationships based on the attention to people, not to commodities. Thus, without rejecting the emphasis on agriculture as a factor in the overall development process, Schumacher describes the deeper role, which this branch plays in addition to securing vitally needed raw materials, namely – to preserve the unity between man and living nature, to humanize and enlarge the living territories.

According to Van der Ploeg et al. [17, 2000], the new development paradigm appears as a succession of answers to the deterministic nature of the old modernistic paradigm. Towards the late 1970s and the early 1980s, the growing scepticism with respect to the traditional development policy instruments resulted in the more and more intensive search of alternatives for the regional development paradigm. Both accepted theories – of territorial scope (Stohr & Fraser) [16, 1981] and the agrarian approach (Friedmann & Douglas) 1978 look for endogenous resources, capacity, and participants of rural development.

Acceleration of development, increasing competitiveness of the economy of Bulgarian rural regions, infrastructure support, realization of national and regional programs and activities, co-financed by the Structural funds of the EU – all this cannot have a successful course without the active role of local administration.

The purpose of the present research paper is to study the place and role of local administration in the social and economic processes, which take place in Bulgarian villages in the conditions of actual membership in the European Union, and to propose recommendations for a more complete use of the capacity of local administration and increase of its role for integrated and sustainable development of rural regions.

2. Legal basis for the role of local administration in the development of rural regions

The role of local administration is determined to some extent a priori in the actual legislation and the normative rules, but it also depends on the degree and the quality of realization of the delegated rights and responsibilities, according to the administrative capacity, the real decentralization of functional and financial authorities, as well as on the

presence of political will. The mentioned factors can be decomposed and analyzed depending on the specific characteristics of the region and community.

In 1995, Bulgaria ratified the European Charter of Local Self-Government, starting the accelerated process of adaptation of Bulgarian legislation and providing a legislative basis for the processes of renewal and decentralization of the local self-government and local administration.

According to the Law of Local Self-Government and Local Administration (LLSGLA) [2, 2007], self-government at the local level is expressed by the right and the real possibility of citizens and institutions elected by them to take part in the discussion and decision-making related to all issues of local importance, including arrangement and development of territories and settlements. Moreover, the changes in the Constitution [4, 2007] allow municipal councils to determine the amount of local taxes, "under the conditions, order and within limits, determined by law".

The Municipal Council, as a local administration institution, approves the staff number and structure of municipal administration, according to needs and problems related to the development of the community. An important fact is that a unit within the structure of municipal administration is created to provide support for the work the Municipal Council.

According to the Law of Regional Development (LRD) [3, 2008], the executive power itself in the different locations, represented by the Mayor of the community, is authorized with the responsibilities on: development and implementation of the Municipal development plan 2007-2013, after it is endorsed by the Municipal Council, as well as the total executive activity, including the budget part. Following from this is the important coordinating role of local power as a connection point of crucial

importance in the processes and sectors of development [8, 2008].

In addition to the existing preconditions for instauration, as a part of municipalities, of administrative and management structures and units involved in research and development on the problems of villages; we must also analyse the limitations inherent to the decentralisation of fiscal activities without power decentralisation. Self-government of villages is strongly limited as, according to the Law of local self-government and local administration, the mayors are totally subject in a financial and administrative sense to the Municipal Council acting on the territory where the village is located. The municipalities have no own budget or legal status, which would allow them to undertake and implement their own local initiatives or even cooperation with other municipalities in the community or region. Even if the measure of the Rural Regions Development Programme, under which they can apply, finances 100 % of the costs of the respective project, i.e. they do not need any co-financing funds, their initiative is still strongly limited – the community can apply for funding, but not the municipality or a group of municipalities. For villages situated in rural type municipalities, the question of the opportunities for application for funds is not so critical as the problems of development in the municipal centre and in the villages are similar and the municipal administration has an understanding of these problems. At present, according to the current Operational programs and the Rural Regions Development Programme, in villages that are part of city/town municipalities, however, the situation is especially complicated: the municipal centre makes decisions on problems that are totally different in their essence and scope, diametrically opposite to those in the villages. Their mayors remain with tied hands and totally limited possibilities of solution of acute problems and of improving the living environment for their direct electorate (in many cases).

3. Local administration and the rural development in the European Union

Rural development policy is of vital importance, taking into account that more than 56 % of the population of the 27 countries-members of the European Union (EU) live in such communities and they represent 91 % of the territory of the Union. Agriculture and forestry remain very important for land use and natural resources management in EU rural regions, as well as a starting point for the diversification of the economy in rural communities. Therefore, the strengthening of EU rural development policy has become a general priority for the Union.

Applying the integrated territorial approach, which is supposed to include exogenous policy and an endogenous approach [5, 2007] local administration is more and more active and involved in the successful management and implementation of a policy of further development of villages and rural regions.

According to Ray [14, 1997], the main characteristics of the endogenous (participatory) approach are: a) activities promoting development are based more on a territorial than on sector principle; b) economic and other activities influencing growth are re-oriented to maximizing benefits for the respective region by increasing the value and level of local resources usage – physical and human; c) the development is considered in the context of needs, capacity and perspective for local people, the region should reach the capacity that would allow it to assume the responsibility for its own social and economic development.

The new rural development paradigm rooted in the “old construction” of production structure and cultural tradition in these regions is more and more based on the integrated development principles, which inevitably leads to a change in the model of the economy in the European Union countries.

In the conditions of the described trends in the theory and practice of rural development, we can discern the place of public administration and, moreover, of institutions of local administration in the mechanism of introducing and management of endogenous rural development

According to Council Regulation (EC) № 1698/2005, the rural development policy for 2007-2013 is concentrated on three topics (known as “topical axes”). They are:

- improving competitiveness of agricultural and forestry sectors;
- improving environment and the landscape;
- improving the quality of life in rural regions and encouraging the diversification of their economy.

To guarantee a balanced approach to policy, the countries-members and the regions are obliged to allocate their funding for rural development along the three topical axes. After the accession of Bulgaria to the European Union, there is a need for a change towards a more rational and efficient support for policy and administration for the development of villages. A real challenge is the rural dimension of the implementation of the state regional development policy, which necessitates institutional, administrative and financial reorganization.

During the last five years in the UK, reforms have been implemented in the field of local administration of rural regions and the respective administrative units [11, 2004]. Different local agencies have been created (Regional Countryside Agency, Rural Affairs Forums, etc) as a bridge between the state and local level and deal with research, innovations, and networks build-up. The main goal of these agencies is to unify funding sources for rural regions. These agencies are in partnership with the Regional government offices (RGO)

and Regional development agencies (RDA), as well as with the local administration. An example for partnership is also the unification of the councils of four administrative units in the rural regions in North England for the purposes of a common policy, strategy, and development. Thus, the local administration assumes gradually more important roles in the development and implementation of policies, in which the partnership between the public and private sector is widely applied. This is brought into action by applying the bottom-up approach.

The results of a representative study of rural regions in Poland, carried out in 2006 by the Institute of Agricultural and Food Industry Economics (IERiGz-PIB) – Warsaw, demonstrated that, according to rural population, municipal administration plays the most important role for local economic development. The main instrument available to local administration consists in the free trainings for the period 2000-2005 in 43.4 % of the villages [9, 2007].

In Hungary [12, 2006], the research shows that local administration in partnership with other local “players” is the main factor in dealing with shortcomings and barriers to rural development. When weaknesses related to accessibility are concerned, the main financial mechanisms used are those of the European Structural funds – for the purposes of different types of accessibility (physical, economic, social) – measures related to different funds are applied – the Cohesion fund (CF), the European Regional Development Fund (ERDF), the European Agriculture Guarantee and Guidance Fund (EAGGF), the Social Fund (SF). For the physical (infrastructure) accessibility, usually the traditional “top-down” policy is put into operation, but the creation of economic infrastructure (finance, markets, vertical and horizontal integration, services, training, etc.) requires more organizational action, contacts,

local information and knowledge. Although the financing of these initiatives is usually centralized, their organization and support are realized at the local level. Local administration and other units of public administration are supported financially by the central power, but they also have their autonomy– financial, political, and organizational.

This means, in order to successfully improve accessibility “towards and from” rural regions, local institutions must be effectively rooted in the local economy and society. Local institutions, including local administrations, must base their activity on the full knowledge of local conditions and provide flexible, innovative answers to endogenous and exogenous challenges, which need diversification, new products, networks development, etc. All this is impossible to achieve just by conventional institutions and instruments, “top-down” procedures, bureaucratic control. These processes correspond better to the rural development local system – centralized resources are necessary (money, experts services, coordination, strategic planning), but some of them must be channelled by local institutions. In this way, transaction costs are reduced and the resources are targeted to the regions, which are most in need.

Inevitably, the role of local administration is also expressed in resolving problems related to the level of local resources availability and use, as well as to the incoming and outgoing resources flows.

Institutional changes in the policy of rural development in the European Union are expressed mainly in the decentralization process directed towards improving the efficiency of management. On one hand, this leads to inclusion of rural communities in dealing with development problems, and on the other – they become a part of the political process at national and supranational level.

4. Characteristic and methods of the study

The present study is based on a survey carried out using a questionnaire addressed to the administrative structures in municipalities and mayors administrations included in the representative monitoring of the region under investigation.

During the process of preliminary inquiries, it was established that attention must be paid to the state and perspectives of development of all villages, not only those that are in the rural regions, being respectively included in the Rural Regions Development Programme [2007-2013].

The present research paper is a part of a larger study related to challenged for rural development in the conditions of actual membership of Bulgaria in the European Union.

The questionnaire is made of six parts. The first part is related to the position and responsibilities (related to rural development) of the respondent. The second part deals with the institutions available within municipal administration, whose prerogatives include problems of rural development, as well as the incoming and outgoing information flows related to these problems. The third part comprises the ways, in which the local administration can be acquainted with the problems of rural regions, as well as the scope of coverage of these problems by the municipal development plans. The fourth part researches what measures are taken for the complex development of villages and what measures are applied to encourage businesses. The fifth part is directed towards the information flows from the part of state bodies and institutions towards the municipal administration with respect to development opportunities for villages under the Rural Regions Development Programme, as well as information flows from the municipal administration down to the mayors. Here, too,

attention is paid to the role of partnerships. The sixth part identifies the problems of successful realization of administrative capacity, as well as the problems related to the overall social and economic development of villages, from the point of view of local administration. This part specifies the share of the state in the formation of local budgets and, respectively, in the implementation of goals in the strategic development plans and programs. In this part of the study, we also provide an opportunity for representatives of local self-government to share their expectations for improvement of the local administrations role.

The present research paper is limited to the analysis only of a part of the results of the larger study, namely on the following issues: a) the presence of an institution for the management of rural development; b) the information flow "municipalities-mayors-municipalities" related to policy and measures for the development of villages; c) realizing partnerships and cooperation; d) main problems for the local administration in the work on rural development; e) main problems of rural development; f) expectations for improvement of the role of local administration.

The sample is gathered by a stratification based on population numbers and includes 55 % of towns and villages (which have a municipality) in the region. The realized inquiries are 106 – and 97 of them are successful. As the sample was formed by random choice, it includes villages with different population numbers from all municipalities in the region. Mayors of other villages in addition to these indicated in the study also participate in the inquiry on a voluntary basis and their replies are included in the processed data.

The questionnaires were distributed in the end of August 2008 with the assistance of the Regional Economic Development Agency – Stara Zagora.

5. Analysis and results of the survey study in the region of Stara Zagora

The characteristics of the respondents from all municipalities (job position held and responsibilities), shows the lack of: a) an independent structure responsible for rural development; b) opportunities for inter-exchange and efficient use of the capacity of respective employees in possible projects for local initiative groups; c) unsteady and too general responsibilities related to rural development in the respective community.

The research shows that there is no unanimity among the mayors of towns and villages as to whether there is a need for a separate administrative structure in the community responsible for rural economic development: 49 % respond that such a structure is not present, and only 18 % are positive that such a structure does exist, but it is difficult to them to quote exactly its name (Fig.1). As to the answers of the municipal administration, they show that rural development is the target of organized attention within the "Economic Department" (45 %) or the "Projects and European Integration Department" (18 %)

The organizational structure of the administration requires a combination of stable and sustainable connections between management bodies, different functional organizations, and the administrative managers. In this hierarchical management structure, each level is controlled

and managed by a higher level and is subject to it – state employee, deputy-mayor, village mayor, community mayor, etc. In the management process, the organization structures delegate certain decision-making rights, but according to respondents this delegation of rights is not combined with decentralization of financial instruments. Also, more than one half of respondents hold the opinion that problems exist in the information flow and the coordination between the municipal centre and towns/villages.

In the conditions, when the measures under the Rural Regions Development Programme are already started, it is interesting to observe, who ensures information on potential beneficiaries in villages and how. Over 50 % of respondents in the municipal centres reply that the potential beneficiaries are sufficiently informed on funding opportunities under the Rural Regions Development Programme and the local administration is not committed to special information activities. After the study was carried out, however, we remain convinced that the information available to mayors and potential beneficiaries is quite superficial both for themselves. The opportunities and conditions of applying under the Rural Regions Development Programme are poorly known in most towns and villages. The mayors have no information on the majority of projects and programs offering support for agricultural producers. There are project applications sent by agricultural producers, but most of them so far (over 80 %) are either

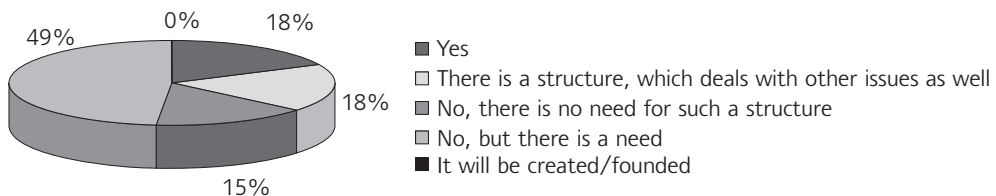


Figure 1. Presence of an administrative structure responsible for the development of villages in the community

not approved, or contracts for the approved projects are not signed. This provokes a flow-out of farmers and their low interest for the opportunities of funding under the Program.

The mobile groups of the Regional Agricultural Advisory Service (RAAS) in each administrative region of the country inform the local administration in rural municipalities (Figure 2) on their upcoming visit in the community to explain the open measures for support of agricultural producers. Local administration in rural municipalities, from its part, must spread information to agricultural producers and other potential applicants working on their territory. This takes place through sending information to the mayors and the deputy mayors in villages, as their link with potential applicants is the most direct. The more active members of local administrations in the different towns/villages look for more information and knowledge on the topic and are of assistance to agricultural producers and other potential applicants in establishing contacts with RAAS and in the preparation of their projects. Usually, these mayors and deputy

mayors initiate project ideas and present them to the municipal administrations for drafting and implementation of NAAS projects treating problems that are typical for villages – technical and social infrastructure, high unemployment, depopulation, etc.

There is, however, an unfavourable trend – more and more mayors drop their involvement in local initiatives because of unsuccessful past attempts or lack of capacity to prepare and implement projects related to local development and to present clear and precise instructions, which would support possible beneficiaries of the respective region.

Despite the expectations for technical support by potential beneficiaries, 65 % of mayors of towns/villages reply that such support is not provided, which is indicative of the limited role of local administration in offering active support by municipalities in the development of business in the villages. This reply also demonstrates the following fact: the majority of representatives of the local administration and administration at the level of mayors is not acquainted with the procedures and ways of applying for gratuitous financing under the Rural Regions Development Programme. According to the Program, the Regional Agricultural Advisory Service prepares the project proposals of agricultural producers free of charge.

From the other 35 % of respondents, two thirds are participants in the training seminars organized at the regional level and carried out by the managing authority of the Rural Regions Development Programme, together with the Paying Agency. The last 2/3 help organizing meetings of beneficiaries with the Regional Agricultural Advisory Service (RAAS).

Another especially important role of the local administration represented by the mayors and the deputy mayors in the villages concerns the

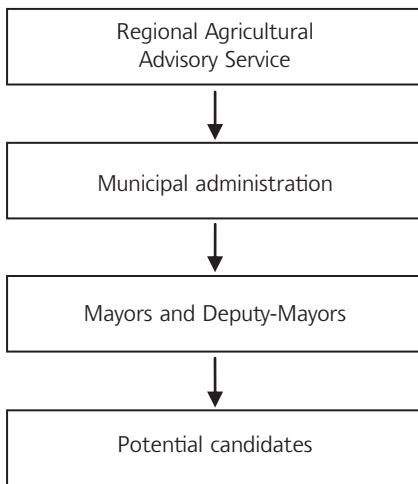


Figure 2. Information flow to potential beneficiaries under the Rural Regions Development Programme

provision of timely and updated information about the implementation and actualization of the Municipal Development Plan (MDP 2007-2013). As far as several problems of the villages are included in the municipal development plans, we can indicate that the mayors only describe the implementation of specific activities and measures. However, we consider that in the implementation of plans, as well as in relation to the Rural Regions Development Programme as a whole, the mayors should gather information in order to calculate specific indicators and measures related to social and economic development.

It is unacceptable for us that most of responding mayors (77 %) do not see a real necessity of creation of any kind of information units in the municipalities, which would be responsible specifically for dissemination of any information related to the Rural Regions Development Programme, as well as consultations on this program. They consider that such structures would consume public financing without guarantees for success and efficiency. Only 23 % respond that such structures have a future and could be introduced in their towns/villages. But if we base our arguments on the assumption that the task of central and local administration is to maintain order and to create a well-functioning organization, which should offer services to citizens – in fast, steady, justified and equal way, ensuring a constant and

correct information flow must become the main prerogative of local administration.

The partnership between municipalities (mayors), non-governmental organizations (NGO), businesses, and lately the voluntary work sector, has a potential, which is still not sufficiently used, which of course can be explained by the insufficiently developed legal basis, lack of traditions, trust, and economic incentives. The results in Table 1 demonstrate that such links are developed mainly with businesses and the Agricultural Advisory Service.

The Rural Regions Development Programme focusing on the importance of the “Leader” approach as an instrument of decentralized management and integrated rural development from now on will create conditions for cooperation and partnerships – between different municipalities and towns/villages, as well. Under this approach, the so called local initiative groups (LIG), where the most active people in the villages join their forces – local businesses, local power u regional NGOs are registered. The aim is for all together to help enterprising people in the villages to apply wit their projects for this axis and to increase the opportunities for community development and building networks in order to reach the precise balance between the “bottom-up” and “top-down” approaches.

Table 1. Partnerships related to rural development (%)

REPLIES	TYPE OF PARTNERSHIPS				
	with businesses	with NGOs	Community – business – NGOs	Regional Agricultural Advisory Service	Others
No	83	85	97	20	-
Да	7	2	-	50	-
Yes, unsuccessfully		3	3	30	5

Source: own research.

On the question of decentralization and its implementation, REPLIES are structured in an interested way – 57 % believe there is no real decentralization, 33 % hold the opinion that decentralization is not sufficient, and 1 % are those satisfied with the opportunities provided by the existing decentralization system concerning decision-making on the development of villages. We cannot deny that the decentralization process still does not meet rural development needs, and the results from decentralization can be described as undistinguishable and to some extent doubtful.

The mayors of towns/village municipalities (about 80 % of respondents) indicate some needs they have that are to be met in order for their activity servicing local communities to be more successfully carried out.

- Improving the conditions of work in the mayors' administration – mayors' buildings in all villages should have good computer and office equipment – a PC, laser printer, scanner, UPS, high-speed Internet access, developing electronic and information spaces, web sites;
- Increasing the opportunities for improvements in the level of qualification and self-training;
- Using intermediaries for the provision of gratuitous financial aid for renewal and development of villages, as well as attracting investment (including foreign investment) in order to decrease the disproportions and social differences between villages;
- Improving administrative procedures and introducing financial and budget systems, which would allow fast and efficient absorption of funds allocated for the implementation of the plan, organizing management, monitoring, and evaluation according to European rules for absorption of financing by the Structural funds;
- Applying the approach of cooperation between institutions and partners in the implementation of the plan, technical support for project preparation, information backup of the management process.

The main problems in the villages, which the local administration considers priority issues to be solved, are: infrastructure (100 % of respondents) – roads, irrigation canals, sewer system, processing of household waste, street lighting, insufficient transport development (about 70 %), social order, and aged people security (64 % of respondents).

Other problems, which are indicated as priority issues by more than half of the respondents, are unemployment and depopulation of the villages. There are almost no young people, aged people are leaved at the poverty threshold, family farms are still rare, and the retail trade points are still insufficient. There is an active agricultural cooperative in some villages, but this is a rarity, farmers work on their land themselves or with their equipments, or lease the land to tenant farmers.

The expectations, which the local administration has with respect to rural development, are related first of all to the diversification of economic activities in these regions through the targeted support in specific regions: creating small enterprises, development of alternative economic activities (tourism, local crafts of small and family businesses, etc.), as a precondition for new jobs creation and ensuring additional income sources. A special place should be reserved for rural tourism and ecotourism – offering a complete integrated tourist product, including accommodation, hikes, natural and cultural site-seeing tours, observation of flora and fauna, sports fishing, warm mineral springs, etc.

The local administration also emphasizes the important the necessity to increase the competitiveness of businesses through: improving market access, working with renewable energy sources, electronic trade, business links and availability of technical and financial information; integrated wastewater management, using communication technologies for regular or

vocational training of local population groups from remote regions, encouraging networking within a community or between the different villages, and developing skills related to communication technology.

The local administration has a clear understanding that it must focus on promoting and presentation of their region using different promotional initiatives, including the Internet.

The local administration still reports needs for education and training of managers and the staff as a whole to acquire skills for initiation, development and management of activities for local development, networking and project development.

Supporting the establishment of links between companies, the usage of the allocated financial funds according to their purpose and ensuring transparency of actions and financial reporting at the municipal level, are among the declared needs of respondents from local administrations.

The described problems, needs, and expectations of the local administration in the studied region are the basis for some recommendations:

Developing a more integrated approach to sustainable management of villages and their resources through the creation of appropriate structures in the local administration, which would learn new functions related to educational initiatives in cooperation with the academic community, to information activity, and building partnerships;

Increasing responsibilities and rights through a clearer definition of duties on economic and social policy functions for rural development from the part of local administration.

Municipal councils should be legally allowed to offer to strategic investors certain incentives,

which would complement those in the Law of Investment Promotion and to have financing following from economic growth of businesses.

Technical support of local administration from the part of Regional Economic Development Agencies – in our opinion, the support would be more efficient if the agencies themselves are restructured and a sub-agency (or department) is created, which should be responsible specifically for rural development. This would facilitate the local implementation of the national policy and there will be an important source of innovation and rural development initiatives.

Building up the **organizational structure** of civil organizations in villages and creating councils with the participation of local administration and organizations, which would take an active part representing the population in the activity of municipalities.

It is necessary to perform conscientious research and adaptation to national characteristics of **the experience and good practices** of other countries-members, especially the new ones.

Conclusion

The following conclusions can be made on the basis of the study that has been carried out:

1. The unsolved issues with respect to strategic management of rural regions as well as the practice of planning and control are to a great extent a result of the observed insufficient interest and responsibility from the part of the local administration on rural development. This is also related to the still existing limitations inherent to the applied decentralization mechanism. The situation of villages that are part of city/town municipalities is especially complicated as they are deprived from the opportunity of funding

under the Rural Development Program. One of the tasks of future study will be to determine the degree to which local management is coordinated with the basic principles of rural development as to both results and processes.

2. The insufficient horizontal and vertical coordination between local administrations (municipalities), is a result from: the lack of clear and unified structures committed to the problems of rural development; not good enough communication, infrastructure, and financial conditions; lack of motivation, control and political will.

3. The municipalities have no technical and expert capacities of applying for subsidy programs, nor have they any independence in decision-making and resource allocation. The issues of enabling rural mayors to have the right to become project beneficiaries is not legally resolved. Moreover, real and effective partnerships for solving rural problems are missing, which is due not only to legal gaps as to their development but also to the lack of incentives, conditions and need from the part of potential partners of the local administration.

4. The expectations of the local administration on future development of villages are related to both regions in need of priority investment (local crafts of small and family business, rural tourism and ecotourism) and creating preconditions for this – improving the access to markets, ensuring opportunities for regular or vocational training, encouraging networking within a given community or between villages, promoting and presentation of rural regions; supporting contacts with companies, NGO, etc. for the absorption of allocated financial funds according to their provision.

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